Statistics Canada Statistique Canada

Statistics Canada

Departmental Performance Report

For the period ending March 31, 2008

Minister of Industry

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Minister's message

The Industry Portfolio experienced a busy and successful 2007–2008. As Minister of Industry, I am pleased with the progress made on our mission to foster a competitive, knowledge-based economy that benefits all Canadians.

A competitive economy is one that provides jobs and opportunity to Canadians, and top-quality products and services to consumers. Our economic performance underpins the quality of life we enjoy in this country, and Statistics Canada is making important contributions to this mission.

The Industry Portfolio is composed of Industry Canada and 10 other agencies, Crown corporations and quasi-judicial bodies. These organizations collectively advance Canada's industrial, scientific and economic development, and help ensure that we remain competitive in the global marketplace.

As a country, we must remain focused on how we can continue to provide an innovative and entrepreneurial economic environment, help our businesses capitalize on opportunities, and provide choice and quality to consumers. The global marketplace continues to evolve, changing with it the dynamics that influence Canada's performance. I am proud to say that the Industry Portfolio is playing its part:

- We are working to make our market for wireless services more competitive, this year launching the policy framework for the Advanced Wireless Services spectrum auction. The framework aims to provide more choice and better service for consumers and businesses — something that we believe will also lead to lower prices.
- We issued guidelines clarifying the application of the *Investment Canada Act* as it relates to foreign state-owned enterprises investing in our country to ensure that Canadians continue to enjoy all the benefits that foreign investment delivers.
- We instituted an independent Competition Policy Review Panel to review and report on key elements of Canada's competition and investment policies and to ensure that they are working to the full benefit of Canadians.
- We created an Automotive Innovation Fund to provide support to automotive firms undertaking large-scale, strategic research and development (R&D) projects to build innovative, greener and more fuel-efficient vehicles. Similarly, investments made through the Strategic Aerospace and Defence Initiative continue to encourage strategic R&D that will result in innovation and excellence in new products and services.

One of my key priorities as Industry Minister continues to be our country's science and technology (S&T) strategy, *Mobilizing Science and Technology to Canada's Advantage*, announced by Prime Minister Harper in May 2007.

- Budget 2008 included measures and initiatives in support of our S&T Strategy that total $654 million over the next three years.
- We put in place the new Science, Technology and Innovation Council to provide the government with objective policy advice on Canada's S&T issues.
- The government allocated $105 million in 2007–2008 to support the operations of seven new Centres of Excellence, pilot projects that have the potential to make Canada a global leader in fields of research that offer a strategic opportunity for Canadian industry.
- This past March, Canada's two-armed robot, Dextre, was successfully installed on the International Space Station.

This has been a year of progress and success, and it is my pleasure to present Statistics Canada's *Departmental Performance Report* for 2007–2008. I am committed to building on these successes in 2008 and beyond, and I will continue to work with officials in the Industry Portfolio to make Canada more efficient, productive and competitive.

Tony Clement
Minister of Industry

Management representation statement

I submit for tabling in Parliament the *2007–2008 Departmental Performance Report* for Statistics Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2007–2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance.
- It is based on the Strategic Outcome(s) and Program Activity Architecture that were approved by the Treasury Board.
- It presents consistent, comprehensive, balanced and reliable information.
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it.
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Name: _____

Title: Chief Statistician of Canada

Section 1 Departmental overview

Summary of performance

Raison d'être

The Government of Canada has established Statistics Canada to ensure that Canadians have access to a trusted source of statistics about their country. Access to objective information is fundamental in an open, democratic society. Statistics Canada provides this information to Canadians and their elected representatives to support their decision making and participation in the democratic process, markets, and social and personal activities.

The statistics produced by Statistics Canada are pivotal in informing national policy. A large portion of Statistics Canada's activities is devoted to meeting the needs of federal, provincial and territorial government policy departments and providing ongoing measurement of Canadian socio-economic dynamics and emerging trends in support of the federal government's agenda for transparent, accountable and evidence-based program management. Statistics Canada data are also used by businesses, unions and non-profit organizations to make informed decisions. Many of its major releases are widely monitored by market participants and influence markets.

Constitutional and legislative foundations

Under the *Constitution Act* of 1867 (s.91), "the Census and Statistics" is an exclusive jurisdiction of the federal parliament. The Act (s.8) requires that a census be conducted in 1871 and every tenth year thereafter. Subsequent constitutional legislation to create the Prairie provinces added a requirement to conduct censuses every fifth year in this region.

Parliament acted on this mandate with various legislation, culminating in the *Statistics Act* of 1918. This law created the Dominion Bureau of Statistics as the centerpiece of a highly centralized statistical system. The Bureau was conceived as an independent body, detached from any department or agency with a policy interest. The Canadian model is often envied by countries with more decentralized systems, usually involving policy ministries in statistical activities.

The *Statistics Act* of 1970 replaced all previous legislation. This constitutional and legislative foundation establishes Statistics Canada as a federal agency with a national mandate to address the statistical needs of all levels of government and, indeed, all Canadians.

Mandate

Statistics Canada's mandate derives primarily from the *Statistics Act*. The Act requires that it collect, compile, analyse and publish statistical information on the economic, social and general conditions of the country and its citizens. The Act also requires that Statistics Canada co-ordinate the national statistical system, specifically to avoid duplication in the information collected by government. To this end, the Chief Statistician may enter into joint collection or data-sharing agreements with provincial and territorial

statistical agencies, and federal, provincial and territorial government departments, subject to confidentiality guarantees for identifiable statistical information.

The *Statistics Act* specifically requires Statistics Canada to conduct a Census of Population and a Census of Agriculture in 1971 and every fifth year thereafter (national censuses became quinquennial in 1956). The Act also confers substantial powers on this agency to request information for statistical purposes through surveys of Canadian businesses and households. By default, response to Statistics Canada's surveys is mandatory under the Act, with refusal to participate subject to legal penalties. The Act includes provisions to make participation in some surveys voluntary, and Statistics Canada has generally done so with respect to household surveys other than the Census of Population and the Labour Force Survey, which produces critical economic data. Surveys of businesses, including agricultural businesses, are conducted on a mandatory basis.

Statistics Canada can also, by law, access all administrative records (e.g., tax data, customs declarations, and birth and death records). Such records are very important sources of statistical information, which enable it to reduce reporting burden on business and individual respondents. Statistics Canada is considered a leader among statistical agencies around the world in reducing reporting burden through the use of administrative data. Partnerships and cost-recovery arrangements with other departments, other jurisdictions and external organizations play a large role in reducing reporting burden. Statistics Canada continues to foster these arrangements as they have proven to serve the needs of the stakeholders as well as those of the national statistical system and the Canadian research community.

These mechanisms help Statistics Canada and the Government of Canada provide Canadians with access to a trusted source of statistics and statistical products, services and analyses on Canadian society and its economy, which are relevant, are responsive to emerging issues, are of high quality and fulfill legal requirements.

Common service organization

Under Treasury Board's Common Services Policy, Statistics Canada is a non-mandatory common service provider to other federal government departments and agencies with respect to statistical services. Three-quarters of Statistics Canada's $103 million in respendable revenues in 2007/2008 was derived from the provision of common services within the federal government. Major clients include Human Resources and Social Development Canada, Health Canada, and Agriculture and Agri-Food Canada, although many departments make use of Statistics Canada's services.

2007/2008 Report on Plans and Priorities

The *2007/2008 Report on Plans and Priorities* laid out the Program Activity Architecture around three areas, namely Economic Statistics, Social Statistics and Census Statistics. The *Report on Plans and Priorities* also identified nine priority initiatives. In the Economic Statistics Program, the priorities identified were the development of a services price index, new statistics in support of a revised equalization formula, redesign of the Business Register and establishment of the Canadian Environmental Sustainability Indicators. In the Social Statistics Program, the priorities were health statistics and statistics in support of the Child-centered Family Law Strategy. In the Census Statistics Program, the priorities were the release of

data from the 2006 Census of Population and 2006 Census of Agriculture and the conducting of the Aboriginal Peoples Survey.

All of these priorities were successfully met. Details on the specific achievements of each can be found in Section 2.

With regard to its ongoing plans, Statistics Canada continued to provide relevant, high-quality statistics in fulfillment of its mandate in the areas of Economic, Social and Census Statistics. This was particularly underlined in 2007 as the result of the Strategic Review of all its programs as part of the Government's new Expenditure Management System. This in-depth review confirmed the relevance, priority and cost-effectiveness of its programs.

As a result of the Strategic Review, Statistics Canada's budget has been reduced by $21.5 million annually, and this target will be reached over three years. This has meant a reduction in some products of lesser priority and lesser capacity for new program development and infrastructure renewal.

Availability of statistical information

The availability of statistical information refers to the ease with which it can be obtained. It is measured in terms of media inquiries and citations, visits to and page views on the website, and enquiries made through the National Contact Centre.

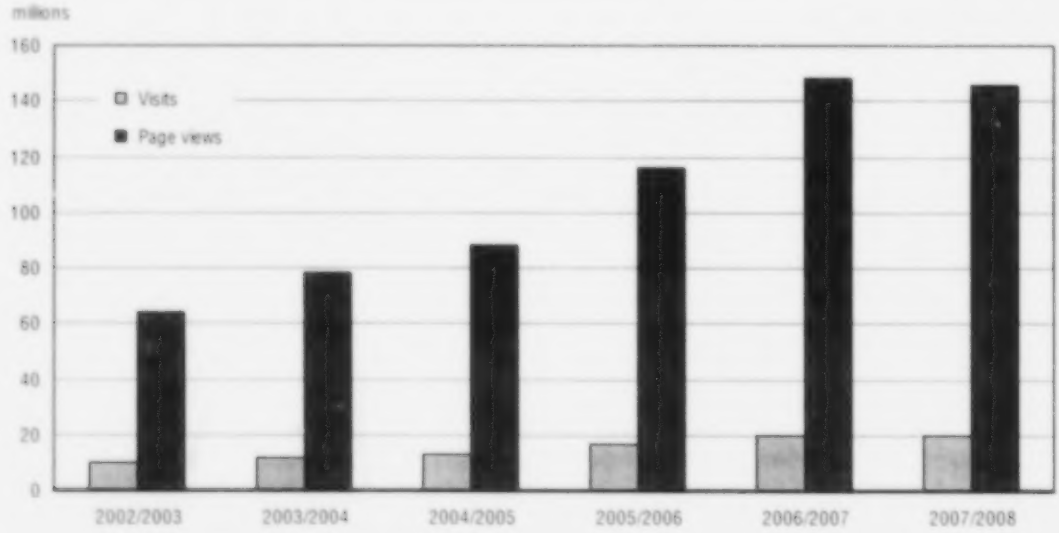
The expected results of Statistics Canada's programs are that the statistics they produce are available through a wide range of easily accessible media formats and venues and that Canadians are aware of the availability of these statistics, of their high quality and of the professionalism and non-partisanship of Statistics Canada. To measure its performance in achieving these results, Statistics Canada maintains various indicators of access to the data it produces and the trust Canadians place in these data.

In 2007/2008, Statistics Canada published 286 data releases related to major economic and social indicators. It also published 918 releases of more limited or specialized interest.

Statistics Canada's media monitoring program tracks coverage in 42 major newspapers as well as three national radio and television networks. It tracks inquiries from journalists through the media hotline service. It also keeps statistics on access to data published on its website.

As indicated in Figure 1.1, in 2007/2008, the numbers of visits to the Statistics Canada website and pages viewed by site users were similar to those in 2006/2007. That is, there were more than 19 million visits to the website and nearly 146 million pages viewed by site users in both years. In previous fiscal years, there were marked increases each year. Census 2006 data releases contributed to high levels of traffic on the Statistics Canada website throughout the past year.

Figure 1.1 Visits and page views, 2002/2003 to 2007/2008

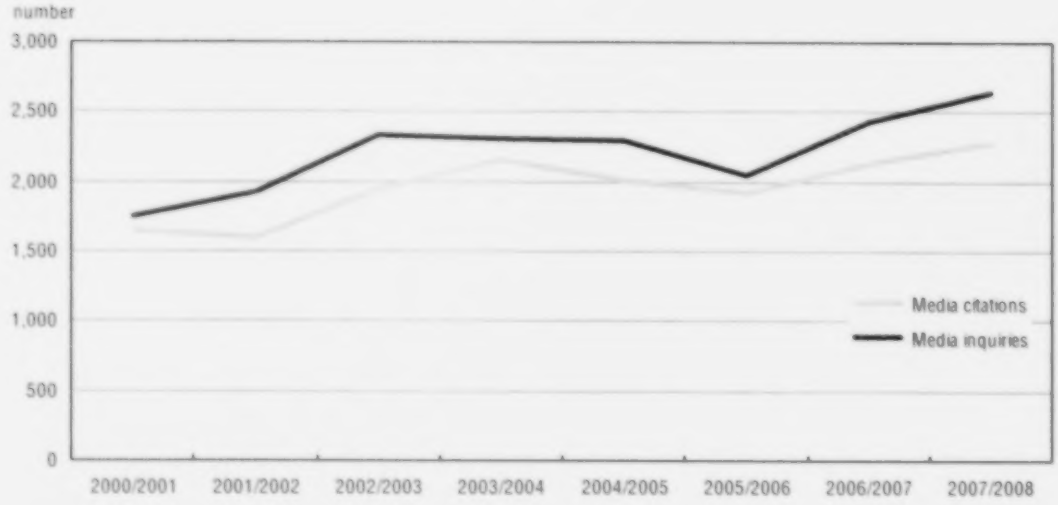


Statistics Canada conducts ongoing website research, including analyses of traffic and information used, usability testing and a regular survey of website visitors to assess their satisfaction with the site. Guidelines ensure that no new module or application is offered to site visitors without prior testing to ensure that it meets visitor needs in terms of content, functionality and user friendliness.

In the most recent website evaluation survey, which was concluded in early April 2007, 71% of respondents reported being either satisfied or very satisfied with their overall experience with the site. Students continue to represent the largest group of visitors to the site, accounting for 29% of respondents to the evaluation survey. More detailed information on website traffic and satisfaction measurements is available online at http://www.statcan.gc.ca/about-apercu/evalutation-eng.htm.

As Figure 1.2 shows, in 2007/2008, media citations totalled 2,280 for the year, and media inquiries, 2,641, evidence that Statistics Canada's releases continue to enjoy broad coverage in the media. Media citations usually peak with the release of census data.

Figure 1.2 Media inquiries and citations, 2000/2001 to 2007/2008



Trust and credibility

The continuing high level of website traffic and satisfaction with the website are evidence of the trust that Canadians place in Statistics Canada's credibility and the quality of its data. To obtain a more direct measure of Canadians' perceptions of it, Statistics Canada contracted Environics Research Group in 2007 to repeat a public opinion survey first conducted in 2005.

Its goal was to assess the extent to which Statistics Canada's brand and role are recognized, whether its activities are perceived to be of value, and the extent to which people are willing to participate in its surveys.

Results of the survey testify to the high regard in which Canadians hold Statistics Canada. The following are some of the major findings:

- There is strong public awareness of Statistics Canada, as 6 in 10 adult Canadians could identify it and its role. Over 90% of them recognized it with some prompting.
- Almost 80% of all adults in Canada hold a positive impression of Statistics Canada and feel that it makes a contribution to the quality of life in Canada.
- Of Canadians who accessed the Internet, 1 in 4 claimed to have visited the Statistics Canada website at least once in the previous 12 months, a very large proportion.
- About 80% of those who visited its website indicated they were successful in finding the information they were seeking.
- More than half (54%) identified the Internet as their preferred mode for responding to Statistics Canada surveys, which is more than double the percentage in 2005 (26%). Only 1 in 4 preferred paper format. This is an important lesson for the future.

Canadians' trust in Statistics Canada is also a function of its perceived objectivity and non-partisanship. To bolster this perception, in December of each year it pre-establishes the release dates for all major economic indicators for the coming year on its website. It does not deviate from the schedule under any circumstances. These dates can be accessed at http://www.statcan.gc.ca/release-diffusion/index-eng.htm. In 2007/2008, all 29 major economic indicators with pre-established dates were published as scheduled.

Data quality assurance is a major reason that Canadians place their trust in statistics produced by Statistics Canada. While it is recognized as one of the world's leading statistical agencies in terms of data quality (it was identified as the top statistical agency in the world by *The Economist* magazine), it continuously monitors risks and reviews quality assurance practices to retain the confidence of data users.

In the fall of 2006, Statistics Canada initiated a comprehensive review of quality assurance practices for nine high-profile statistical programs. This review was in response to a small number of incidents where errors were discovered after data were released. While some errors are natural given the massive amount of data Statistics Canada generates, some of which it collects itself and some of which it receives from others (administrative data), it is imperative that the extent and significance of error be reduced as much as possible. The review was completed in early 2007 and the results, along with the measures taken in response to the review's recommendations, were made public on June 4, 2007. See http://www.statcan.gc.ca/daily-quotidien/070604/be070604a-eng.htm.

The review identified the programs where further investments were needed to strengthen the quality assurance practices. A number of best practices were identified and steps were taken to ensure that the best practices were shared with and adopted by all programs that could benefit from them. In addition, Statistics Canada completed a large-scale quality assurance learning exercise. This involved meeting all staff working on data production to systematically review the quality assurance practices. The results of this exercise have been analysed to identify areas where further training on quality assurance would be beneficial.

In 2008, Statistics Canada began what will be an ongoing process of monitoring the quality of data releases to reduce the risk of errors found after official release. Also in 2008, it started a permanent program for ongoing quality assurance reviews similar to those carried out in 2006/2007. An important element of the ongoing review is the monthly examination of performance by the Policy Committee, the highest-level committee at Statistics Canada, which is chaired by the Chief Statistician. All of these measures ensure that Statistics Canada continues to meet the highest standards of data quality expected of it by data users and its stakeholders.

Other elements of the Statistics Canada model that build confidence and trust

The confidence that Canadians have in their national statistical agency is a function of their perception that Statistics Canada is professional and has excellent management. Statistics Canada is widely known and respected as a very well-managed organization.

- It is a recognized leader in human resources management practices. In 2007, it was named one the National Capital Region's Top 20 Employers by *Maclean's* magazine and received the Order of Excellence Award, the highest-level Healthy Workplace Award, from the National Quality Institute.
- The Office of the Commissioner of Official Languages has given it an 'exemplary' rating for its official languages program, and it was the first federal department to be so recognized.
- The assessment of its management practices by the Treasury Board Secretariat under the Management Accountability Framework places it in the top quartile of departments.
- It has a unique system of risk assessment and comprehensive program evaluation that focuses on the relevance of data collected, quality assurance and cost-effectiveness of every one of its programs over a four-year cycle. These evaluations are reviewed by the Policy Committee on an ongoing basis. Details are provided in Section 4.

Table 1.1 Summary information

Financial resources ($ thousands)

2007/2008		
Planned spending	**Total authorities**	**Actual spending**
454,332	508,940	474,031

Human resources (full-time equivalents)

2007/2008		
Planned	**Actual**	**Difference**
5,177	5,676	499

Departmental priorities as described in the *2007/2008 Report on Plans and Priorities*

Name	Type	Performance status
1. Canadian Environmental Sustainability Indicators	Previously committed	Successfully met
2. Business Register redesign	Previously committed	Successfully met
3. Services price index	Ongoing	Successfully met
4. New statistics in support of the revised Equalization formula	New	Successfully met
5. Child-centered Family Law Strategy	Previously committed	Successfully met
6. Health Statistics Program	Ongoing	Successfully met
7. 2006 Census of Population	Previously committed	Successfully met
8. 2006 Census of Agriculture	Previously committed	Successfully met
9. Aboriginal Peoples Survey	New	Successfully met

Table 1.2 Program activities, by strategic outcome

Expected results		Performance status	2007/2008 Planned spending[1]	2007/2008 Total authorities[2]	2007/2008 Actual spending[3]	Contributes to the following priorities
Strategic outcome: Canadians have access to objective, high-quality, non-partisan statistics, statistical products, services and analyses on Canada's economy that fulfill legal requirements, are relevant to policy formulation and decision makers, and are responsive to emerging issues.						
Economic Statistics	Economic statistics produced by Statistics Canada are available through a wide range of easily accessible media formats and venues. Canadians are aware of the availability of these statistics and of their high quality, and of the professionalism and non-partisanship of Statistics Canada.	Successfully met	202,238	240,154	224,467	1, 2, 3 and 4
Strategic outcome: Canadians have access to objective, high-quality, non-partisan statistics, statistical products, services and analyses on Canada's society that fulfill legal requirements, are relevant to policy formulation and decision makers, and are responsive to emerging issues.						
Social Statistics	Social statistics produced by Statistics Canada are available through a wide range of easily accessible media formats and venues. Canadians are aware of the availability of these statistics and of their high quality, and of the professionalism and non-partisanship of Statistics Canada.	Successfully met	156,441	169,751	158,417	5 and 6
Strategic outcome: Canadians have access to objective, high-quality, non-partisan statistics, statistical products, services and analyses on Canada's population that fulfill legal requirements, are relevant to policy formulation and decision makers, and are responsive to emerging issues.						
Census Statistics[4]	Census statistics produced by Statistics Canada are available through a wide range of easily accessible media formats and venues. Canadians are aware of the availability of these statistics and of their high quality, and of the professionalism and non-partisanship of Statistics Canada.	Successfully met	95,653	99,034	91,147	7, 8 and 9
Total[5]	...	...	**454,332**	**508,940**	**474,031**	...

... not applicable

1. Planned spending corresponds to the reference levels submitted when the *2007/2008 Report on Plans and Priorities* was completed and does not include changes in funding that took place during the year (in $ thousands).
2. Total authorities shows the revised reference level, reflects the changes since the *Report on Plans and Priorities* was submitted and corresponds to the 2007/2008 Public Accounts (in $ thousands).
3. Actual spending corresponds to the 2007/2008 Public Accounts (in $ thousands).
4. As a cost-recovery project, the Aboriginal Peoples Survey is not included in the census statistics activity totals.
5. Planned spending, total authorities and actual spending amounts are presented net of respendable revenue.

Notes: Because of rounding, figures may not add to totals shown.
All Statistics Canada program activities are linked to the Government Affairs, Government of Canada Outcome Area.

Section 2 Analysis of program activities by strategic outcome

Statistics Canada's strategic outcome is for Canadians to have access to objective, high-quality, non-partisan statistics, statistical products, services and analyses on Canada's economy and society that fulfill legal requirements, are relevant to policy formulation and decision makers, and are responsive to emerging issues.

To achieve this outcome, Statistics Canada engages in three program activities, which are further broken down into subactivities.

Text box 2.1 Program activities and subactivities

Program activities	Subactivities (most detailed level)
Economic Statistics	Agriculture Science, Innovation and Electronic Information Small Business and Special Surveys Transportation Manufacturing, Construction and Energy Distributive Trades Service Industries Prices International Trade Investment and Capital Stock Industrial Organization and Finance Income and Expenditure Accounts Industry Measures Balance of Payments Public Institutions Input–Output Environment Accounts and Statistics Analytical Studies
Social Statistics	Culture, Tourism and the Centre for Education Statistics Health Statistics Special Surveys Income Statistics Labour and Household Surveys Analysis Labour Statistics Small Area Data[1] Canadian Centre for Justice Statistics Socio-Economic and Business Analysis
Census Statistics	Census of Agriculture Demography Small Area Data[1] Housing, Family and Social Statistics Census Operations and Management Aboriginal Statistics

1. The Small Area Data subactivity is linked to both the Social Statistics and Census Statistics program activities.

Economic Statistics (program activity 1)

The Economic Statistics Program produces a portrait of the economic structure (which sectors are important to the Canadian economy) and trends (which sectors are growing or declining in Canada). This portrait is one of the most comprehensive in the world and is recognized as a model for other countries developing their own economic statistical programs. It includes indicators such as the Consumer Price Index, gross domestic product, import and export statistics, foreign direct investment, investment in plant and equipment by Canadian businesses, retail sales, manufacturing shipments and financial performance of corporations, just to name a few. A more detailed description of these activities can be found at http://www.statcan.gc.ca/about-apercu/structure/paa-aap-eng.htm.

The structural statistics (annual frequency) are used to monitor longer-term economic trends and issues such as productivity, financial performance and industrial structure. These statistics are recognized as being of high quality and they are used intensively in the administration of key programs such as the Equalization Program, and in the distribution of the Harmonized Sales Tax. Finally, these annual statistics are used to determine Canada's contributions to international commitments for the United Nations and the Organisation for Economic Co-operation and Development and to monitor Canada's performance as a member in good standing of the International Monetary Fund. The ongoing commitment to the use of these statistics in those important functions is evidence of the excellent performance of the Statistics Canada programs that produce them.

The monthly and quarterly data are used to monitor short-term trends in the Canadian economy and its components. These data are used intensively in the domains of monetary policy and fiscal forecasting to track changing trends in inflation or economic growth and their implications for the Canadian economy. There is a trade-off between timeliness and accuracy of short-term statistics. To produce reliable estimates in a time frame that meets the needs of policy makers and analysts, smaller samples must be used and they must be processed using sound statistical methodology. Key stakeholders who use these data (such as Finance Canada, Bank of Canada and Industry Canada) report that they have a great deal of confidence in the quality of these indicators and that they are satisfied that an appropriate trade-off between timeliness and accuracy has been achieved. The programs are continually reviewed and adjusted to maintain relevance and fitness for use.

Many key initiatives that adjust the program to improve relevance or accuracy are reported here. One key one which was not identified early in the plans and priorities, but was identified during the fiscal year to be of importance, was the delivery of a new detailed database to be used for the study of productivity in Canada. This database, which is called KLEMS (Capital, Labour, Energy, Materials and Services), was also made compliant with an international research database called EU KLEMS, which enables researchers to look at Canadian productivity on a comparable basis with other countries including the United States, Australia and all countries in the European Union. This is an example of how Statistics Canada reacts to current policy questions and initiatives to provide the right data at the right time.

In 2007/2008, the structural indicators were all delivered in a timely fashion to clients and for administrative purposes such as the calculation of Equalization or Harmonized Sales Tax allocation. For quality assurance purposes, they were certified by the Chief Statistician. The short-term indicator data were delivered in a timely fashion on a predetermined schedule (release time lags are reported in Table 2.4) and the modest degree of revisions (Table 2.3) shows that the indicators gave an accurate portrayal of the trends in the Canadian economy.

Text box 2.2 Definitions of performance measures

Data accuracy

The accuracy of statistical information is the degree to which that information correctly describes the phenomena it was designed to measure. It is usually characterized in terms of sampling error, measured by the coefficient of variation, when the results of a survey are based on a sample of the population rather than the entire population. It may also be described in terms of the major sources of error that potentially cause inaccuracy, such as the response rates and the average size of revisions.

Coefficient of variation

The coefficient of variation is used as a measure of sampling error. Most surveys are based on a sample of the target population. Sampling is an important means of achieving an effective allocation of resources, ensuring appropriate relevance across programs, yielding more timely results, and in other ways improving data accuracy.

Estimates based on a sample can be expected to vary from sample to sample, and to differ from those that would result from a complete census. The expected size of these variations depends on a number of factors, such as the size of the sample and the method used to select it. Greater reliability is achieved by optimizing these factors.

The coefficient of variation is the measure of reliability most frequently provided to users. This coefficient gives an indication of the sampling error relative to the size of the estimate. A low coefficient of variation means low sampling errors and a high degree of statistical confidence in the reliability of the associated estimate. Conversely, a higher coefficient of variation means a lower degree of statistical confidence in the reliability. As well, the more disaggregated the estimates, the higher the coefficient of variation tends to be since, typically, as the size of the subgroup of interest decreases, the coefficient of variation of the related estimates rise.

Response rates

The accuracy of the data disseminated by Statistics Canada is directly related to the accuracy of the data provided by the respondents to its surveys and censuses. It follows that an important indication of accuracy is the percentage of respondents asked to provide data who actually do so. Generally, the higher this response rate, the greater the accuracy of the survey results will be. It is generally accepted that for most surveys, a 100% response rate is not a practical possibility. Statistics Canada ensures that reasonable efforts are made to achieve an acceptable response rate (as well as to obtain accurate responses) while producing timely data without placing undue burden on respondents or incurring undue costs.

Average size of revisions

Average size of revision is defined as the absolute percentage of revisions averaged over the 12 releases during the year (for monthly surveys) or four releases (for quarterly surveys).

Economic and socio-economic time series are statistical records of the evolution of economic processes through time, generally compiled for consecutive periods such as months, quarters or years. Time series contribute greatly to understanding both the trends and underlying causes of social and economic phenomena. While revisions to statistical estimates are often necessary, they impact directly on users of statistical information by altering the users' understanding of these phenomena and, in turn, affecting their decision making.

Statistics Canada strives to minimize revisions to statistical estimates by facilitating reporting, ensuring that questionnaires are easily understood, making use of new technology to better accommodate respondents' ability to report, and conducting internal reviews to ensure that collection and data-processing procedures yield effective results. Having data that arrive after the cutoff date for processing is the main reason for revisions. Other planned activities, such as changes to classification systems or modifications to baskets of goods and services on which indices are based, also result in revisions. Revisions to Statistics Canada's series are made with a view to balancing the competing demands of accuracy and timeliness.

Performance of the Economic Statistics Program

The Economic Statistics Program continued to produce high-quality data in a cost-effective manner. Selected quality indicators are provided for some of the key activities of this program: the Monthly Survey of Manufacturing, the Monthly Wholesale Trade Survey, the Monthly Retail Trade Survey, the Consumer Price Index, Industrial Product Price Index, Canadian International Merchandise Trade, the Quarterly Financial Statistics for Enterprises, and real gross domestic product. Three accuracy measures and one timeliness measure are presented in this section.

The coefficient of variation for these programs has remained low and stable for many years and indicates a high degree of statistical confidence in the reliability of these estimates.

Table 2.1 Accuracy measure: Coefficient of variation[1]

	2004/2005	2005/2006	2006/2007	2007/2008
	%			
Monthly Survey of Manufacturing	0.6	0.6	0.6	0.6
Monthly Wholesale Trade Survey	0.7	0.8	0.8	0.7
Monthly Retail Trade Survey	0.6	0.6	0.6	0.7
Quarterly Financial Statistics for Enterprises	0.6	0.6	0.6	0.7

1. This table omits the Consumer Price Index, the Industrial Product Price Index, Canadian International Merchandise Trade, and real gross domestic product, which do not use random sampling in producing their estimates.

The response rates have generally been in the acceptable to high range, although higher response rates are more desirable.

Some of the response rates have changed over time. The Monthly Survey of Manufacturing response rates increased from 92% in 2004/2005 to 96% in 2007/2008, whereas the Monthly Wholesale Trade Survey and the Monthly Retail Trade Survey response rates declined somewhat. In the case of the Monthly Wholesale Trade Survey, the decline was more pronounced and was the result of there being some large non-respondents. Response rates for the Quarterly Financial Statistics were also relatively low. These response rates are very high by private sector or academic research standards.

Table 2.2 Accuracy measure: Response rates[1]

	2004/2005	2005/2006	2006/2007	2007/2008
	%			
Monthly Survey of Manufacturing	92	95	95	96
Monthly Wholesale Trade Survey	94	92	89	88
Monthly Retail Trade Survey	94	94	92	91
Industrial Product Price Index	87	86	84	86
Quarterly Financial Statistics for Enterprises[2]	84	84	82	73

1. This table omits the Consumer Price Index, Canadian International Merchandise Trade, and real gross domestic product, which do not collect data directly from respondents.
2. Data for 2005/2006 and 2006/2007 have been revised from those shown in the *2006/2007 Departmental Performance Report*.

The average number of revisions was small by international standards.

In Canadian International Merchandise Trade, the relatively larger number of revisions for imports and exports are mainly because of the increased volatility of energy prices, which makes preliminary estimates of value more difficult to produce.

Table 2.3 Accuracy measure: Average size of revisions[1]

	2004/2005	2005/2006	2006/2007	2007/2008
	%			
Monthly Survey of Manufacturing	0.35	0.34	0.30	0.30
Monthly Wholesale Trade Survey	0.39	0.34	0.30	0.20
Monthly Retail Trade Survey	0.23	0.13	0.16	0.24
Industrial Product Price Index	0.46	0.20	0.13	0.13
Canadian International Merchandise Trade				
• imports	1.10	0.50	0.39	0.53
• exports	0.35	1.23	0.77	0.89
Quarterly Financial Statistics for Enterprises	0.19	0.20	0.17	0.07
Real gross domestic product[2]	0.05	0.15	0.08	0.05

1. This table omits the Consumer Price Index, which does not regularly revise estimates.
2. The measure presented here is the average absolute revision to the quarterly growth rates of real gross domestic product. Real gross domestic product is an index-based statistic and percentage revisions to levels are not applicable. Data for 2004/2005, 2005/2006 and 2006/2007 have been revised from those shown in the *2006/2007 Departmental Performance Report*.

All of these subannual programs provide results on a very timely basis. There is always a desire on the part of data users to speed up production. They agree, however, that Statistics Canada has the right balance in the trade-off between timeliness and accuracy, especially in economic statistics where preliminary estimates subject to large revisions can give false signals that can have significant effects throughout the economy.

Table 2.4 Timeliness measure: Elapsed time between reference period and release date

	Frequency	Elapsed time 2007/2008
Monthly Survey of Manufacturing	Monthly	45 days
Monthly Wholesale Trade Survey	Monthly	49 days
Monthly Retail Trade Survey	Monthly	52 days
Consumer Price Index	Monthly	21 days
Industrial Product Price Index	Monthly	30 days
Canadian International Merchandise Trade	Monthly	42 days
Quarterly Financial Statistics for Enterprises	Quarterly	54 days
Real gross domestic product	Quarterly	61 days

2007/2008 Report on Plans and Priorities

For the Economic Statistics Program, four priorities were identified in the *2007/2008 Report on Plans and Priorities*:

- development of a services price index
- new statistics in support of the revised Equalization formula
- establishment of Canadian Environmental Sustainability Indicators
- Business Register redesign.

Services price index

The initiative was aimed at improving statistics on the increasingly important services sector to enhance the relevance of the national statistical program.

Services make up approximately two-thirds of the Canadian economy. Business services represent almost 40% of gross domestic product; government services, 17%; and personal services, 11%. Despite their importance, price indices for the business services sector do not exist, creating a significant gap in the Canadian economic statistical system. This gap seriously affects the estimates of quality of real output and productivity change for this sector.

In 2005, funding from internal sources was approved to develop the Services Producer Price Index over a five-year period. At the end of that time, services price indices will be available for approximately 30 broad business services categories, accounting for approximately 80% of the value added of the business service sector.

Significant progress was made in 2007/2008. Pilot surveys were launched in several services industries and releases of the new Services Producer Price Index series are planned in the winter of 2008. The development of the indices is a major accomplishment, as it will provide new deflators for a series of industries, which represent 37.5% of the total business services. These services price indices will provide better measurement of the constant dollar gross domestic product and a more appropriate international comparability in the areas of productivity, inflation and trade. Major development has also been launched in several other services industries.

New statistics in support of the revised Equalization formula

The federal government transfers funds to the provincial and territorial governments on an annual basis to assist in the provision of programs and services to the public. These transfers allow the provinces and territories to provide comparable levels of public services at comparable levels of taxation. Amendments to the *Federal–Provincial Fiscal Arrangements Act* in June 2007 implemented changes to the Equalization Program announced in the March 2007 Federal Budget. Among others, the property tax base will be changed to better reflect current market values in the residential property sector. The 2007 *Federal–Provincial Fiscal Arrangements Regulations*, required to administer the Act, came into effect in December 2007. The project has three phases and will become an ongoing program in 2010/2011.

In 2007/2008, Statistics Canada undertook phase 1 of the Property Tax Base Project, dedicated to the collection of data on property values and property tax revenue from provincial and territorial centralized administrative sources. Issues related to the interprovincial comparability of property classification and valuation methods were addressed. The work on the design and implementation of a common list of municipalities is well underway.

Canadian Environmental Sustainability Indicators

In 2004, the Government of Canada committed to establishing national indicators of air and water quality and of greenhouse gas emissions. The goal was to provide Canadians with more regular and reliable information on the state of the environment and how the environment is linked with human activities.

Four surveys are funded by the program. The Agricultural Water Use Survey refines estimates of agricultural water use, and helps develop a better understanding of irrigation practices and water issues for irrigators. The Industrial Water Survey provides information about the quantities of water withdrawn, recycled and consumed as well as costs, sources, treatments and discharge of water used for various economic sectors. The Survey of Drinking Water Plants will produce detailed information on treatment type and costs, and generate a national database of raw and treated water quality. The Households and the Environment Survey measures household behaviour and practices with respect to the environment. The survey provides an important socio-economic context, by province, including whether behaviour is influenced by advisories of poor air quality, treatment of drinking water, application of fertilizers and pesticides, ownership of household gasoline-powered equipment, and people travelling by motor vehicle to work.

In addition to conducting these surveys, Statistics Canada has improved the methodology used in the calculation and reporting of the air and water quality indicators.

The project released indicator reports in December 2005 (http://www.statcan.gc.ca/daily-quotidien/051214/dq051214c-eng.htm), in November 2006 (http://www.statcan.gc.ca/daily-quotidien/061123/dq061123c-eng.htm), and in December 2007 (http://www.statcan.gc.ca/daily-quotidien/071206/dq071206d-eng.htm). Each report reflected advances in monitoring, analysis and interpretation of the indicators and integration of information on the socio-economic activities that influence them.

Business Register redesign

The Business Register is a central repository containing contact and classification information on all businesses with a significant level of activity in Canada. The majority of Statistics Canada's economic surveys rely on the Business Register to carry out their activities, particularly with respect to sampling, data collection and the production of estimates. The Business Register is a key component of its Economic Statistics Program.

In 2005/2006, Statistics Canada began a complete redesign of the Business Register to ensure its ongoing capacity to fulfill its mission in the years to come. The primary objectives of this redesign were to simplify and update the concepts as well as the operational processes (which were over 20 years old), to facilitate the use of the register through the use of more modern, user-friendly technology, and to enhance the timeliness of information included in the register.

The redesign of the Business Register was a three-year project. The redesign was completed successfully in January 2008—three months ahead of schedule. A transition plan was developed and implemented, which allowed the surveys to make the necessary adjustments to their operations and move from the old to the new register in a timely manner. As well, to ensure the effective use of the new register, a training program was developed to cover the new procedures and technological tools and is being offered to more than one thousand employees at Statistics Canada.

The new Business Register incorporates a number of features that will help improve business survey coverage, including simplified operational concepts and processes; integrated presentation of all available information on every business listed; and powerful and easy-to-use tools for updating and analysing information. In addition, the modernization of the Business Register helped to significantly reduce its operating costs and increase Statistics Canada's capacity to effectively manage the business response burden, which is an ongoing Statistics Canada priority.

Social Statistics (program activity 2)

The Social Statistics Program provides information on the economic and social characteristics of individuals, families and households in Canada, and on the major factors that can contribute to their well-being. It includes measures of household income and expenditure; employment, unemployment and their associated costs and benefits; labour income and factors affecting labour supply; health and factors influencing it; and information on topics of specific social policy concern. This program also provides information and analysis on the facilities, agencies and systems that are publicly funded to meet the socio-economic and physical needs of Canadians, and on the outcomes of the services that they provide. It encompasses the justice, health care, and education systems as well as cultural institutions and industries, in terms of the nature and extent of their services and operations, the characteristics of the individual Canadians and families whom they serve, and their impact on Canadian society.

A more detailed description of these activities can be found at http://www.statcan.gc.ca/about-apercu/structure/paa-aap-eng.htm.

Performance of the Social Statistics Program

The Social Statistics Program continued to produce high-quality data in a cost-effective manner. Selected quality indicators are presented for two key surveys that are part of the Social Statistics Program: the Labour Force Survey and the Survey of Employment, Payrolls and Hours.

The coefficients of variation for the Survey of Employment, Payrolls and Hours and the employment estimate from the Labour Force Survey have remained very low and stable for several years, indicating a high degree of reliability in the estimates produced.

The coefficient of variation for the unemployment estimate from the Labour Force Survey is also very low and stable, but is slightly higher than that of the employment estimate because a smaller target population is involved.

In the case of the Survey of Employment, Payrolls and Hours, the reliability at lower levels of disaggregation was the subject of in-depth research in 2007 and was found to be unacceptable by Statistics Canada standards. As a result, changes are being made to restrict publication to cells meeting its basic quality thresholds.

Table 2.5 Accuracy measure: Coefficient of variation

	2004/2005	2005/2006	2006/2007	2007/2008
	%			
Labour Force Survey				
• Employment[1]	0.3	0.3	0.3	0.3
• Unemployment[2]	2.0	2.0	2.0	2.1
Survey of Employment, Payrolls and Hours	0.1	0.1	0.1	0.1

1. Data for 2004/2005, 2005/2006 and 2006/2007 have been revised from those shown in the *2006/2007 Departmental Performance Report*.
2. Data for 2004/2005 have been revised from those shown in the *2006/2007 Departmental Performance Report*.

For the Labour Force Survey and the Survey of Employment, Payrolls and Hours, response rates remain high.

Table 2.6 Accuracy measure: Response rates

	2004/2005	2005/2006	2006/2007	2007/2008
	%			
Labour Force Survey	92	91	93	92
Survey of Employment, Payrolls and Hours	88	89	89	90

Survey of Employment, Payrolls and Hours data are revised to reflect late returns and newly identified reporting and processing errors. In recent years, fewer adjustments were made to the preliminary data in order to allow for the receipt of these late returns, thereby accounting for the larger size of the revisions in 2006/2007 and in 2007/2008.

Table 2.7 Accuracy measure: Average size of revisions[1]

	2004/2005	2005/2006	2006/2007	2007/2008
	%			
Survey of Employment, Payrolls and Hours	0.04	0.03	0.16	0.11

1. This table omits the Labour Force Survey, which does not regularly revise estimates.

The time elapsed between the reference period and release date corresponds to that for similar surveys done in other countries.

Table 2.8 Timeliness measure: Elapsed time between reference period and release date

	Frequency	Elapsed time 2007/2008
Labour Force Survey	Monthly	20 days
Survey of Employment, Payrolls and Hours	Monthly	59 days

2007/2008 Report on Plans and Priorities

For the Social Statistics Program, two priorities were identified in the *2007/2008 Report on Plans and Priorities*:

- Health Statistics Program
- Child-centered Family Law Strategy.

Health Statistics Program

A number of major developments occurred to meet this priority.

First, the new Canadian Health Measures Survey, launched in March 2007, is collecting key information on the health of Canadians by means of direct physical measurements such as blood pressure, height, weight and physical fitness. In addition, the survey collects blood and urine samples to test for infectious diseases, nutrition and environmental markers. The survey aims to collect data and physical health measures from 5,000 Canadians aged 6 to 79 in 15 communities across Canada. Collection began in 2007/2008 and will continue until March 2009. Canadians from all selected age groups are responding positively to this new initiative. Even more encouraging is that respondents are participating in all clinical tests; response rates for blood and urine collection are as high as those for less intrusive tests such as blood pressure.

The information resulting from the Canadian Health Measures Survey will create national baseline data on the extent of such major health concerns as obesity, hypertension, cardiovascular disease, exposure to infectious diseases and exposure to environmental contaminants. In addition, the survey will provide evidence about many diseases, such as hypertension, that may be undiagnosed among Canadians. In Australia, a similar survey conducted from 1999 to 2001 found that for every known case of diabetes, there was one undiagnosed case. Data dissemination will begin with a preliminary release on environmental information in November 2008, followed by release of comprehensive results in early 2010. Funding to make the Canadian Health Measures Survey an ongoing survey was secured in Budget 2008 by Statistics Canada's partners, Health Canada and the Public Health Agency of Canada.

Second, the Canadian Community Health Survey is being enhanced. It has moved from a model in which the data were collected from a large sample of households (130,000 respondents) every second year, to one of continuous collection where approximately 65,000 respondents are interviewed each year. This will allow Statistics Canada to release data from the survey more often and to react more quickly to emerging issues. The redesign of the Canadian Health Measures Survey has added increased flexibility to the questionnaire, which now includes a rapid response option. This allows clients with a specific, time-sensitive data requirement to include two to three minutes' worth of questionnaire content on the main survey questionnaire for a minimum of two months (on a cost-recoverable basis).

Third, the Longitudinal Health and Administrative Data initiative involves Statistics Canada working closely with provincial and territorial ministries responsible for health care and public health to develop a partnership to undertake research requiring assembly and linkage of administrative data, routinely collected through the health care system, with data collected through Statistics Canada surveys. The initiative's partners have determined the research agenda for 2008/2009 that would provide pan-Canadian and comparative information across provinces and territories to improve understanding of relationships among risk factors, socio-economic characteristics, determinants of health, health status measures and utilization of health care.

Child-centered Family Law Strategy

In 2003/2004, the Canadian Centre for Justice Statistics embarked upon a five-year project to develop and implement the Survey of Maintenance Enforcement Programs and the Civil Court Survey.

By March 2008, six provinces and territories were reporting to the Survey of Maintenance Enforcement Programs and seven to the Civil Court Survey. The year 2008 was the first year data for the Civil Court Survey were released, while the scope and breadth of data analysis for the Survey of Maintenance Enforcement Programs continued to expand with a third annual release. The development, programming and testing of standard output tables for the Survey of Maintenance Enforcement Programs was completed during the year. Despite the interest in and high degree of relevance of this program, funding for it ended in 2007/2008.

Census Statistics (program activity 3)

The census provides a statistical portrait of Canada and its people. The vast majority of countries carry out a census at regular intervals to collect important information about the social and economic situation of the people living in their various regions.

In Canada, the census is the only reliable source of detailed data for a wide range of small groups (including lone-parent families, ethnic groups, and industrial and occupational categories) and for areas as small as a city neighbourhood or as large as the country itself. Because the Canadian census is collected every five years and the questions are similar from one census to another, it is possible to compare changes that have occurred in the makeup of Canada's population over time.

Census outputs include information on

- the minority language information needs for the Canadian Charter of Rights and Freedoms
- basic demographic information for social programs, such as the Old Age Security pension and the Child Tax Benefit
- where people are born, their citizenship status for electoral planning and administration of pension exchange programs between Canada and other countries, the number of immigrants and non-permanent residents in Canada, and the year people immigrated to Canada. This information is used to review immigration and employment policies and programs, as well as to plan education, health, and other services

- the ethnic and cultural diversity of Canada's population, which is used extensively by ethnic and cultural associations, by government departments such as Canadian Heritage, Human Resources and Social Development, and Citizenship and Immigration Canada, and by agencies and researchers for a wide range of activities, such as health promotion, communications and marketing
- Aboriginal or First Nations peoples, to administer legislation and employment programs under the *Indian Act* and the *Employment Equity Act*
- the visible minority population, for the *Employment Equity Act*
- the education, training and specific job skills to meet the changing needs of the workforce
- paid work done by people aged 15 and older to plan for education and training programs to meet job needs
- income to develop income support programs and social services, such as the Guaranteed Income Supplement, provincial and territorial income supplements, social assistance and welfare.

A more detailed description of these activities can be found at http://www.statcan.gc.ca/about-apercu/structure/paa-aap-eng.htm.

Performance of the Census Statistics Program

Highlights from the Census Statistics Program for the fiscal year 2007/2008 include the dissemination of data from the 2006 Census of Population and the 2006 Census of Agriculture and from postcensal surveys such as the Participation and Activity Limitation Survey and the Survey on the Vitality of Official-Language Minorities. Data were also collected for the Aboriginal Peoples Survey for release in the fall of 2008.

During this same fiscal year, the Office of the Auditor General conducted an audit on whether Statistics Canada applied its established quality assurance systems and practices in managing the 2006 Census of Population. The Office of the Auditor General also examined to what extent the 2006 Census program managed the risks to the privacy of respondents and complied with the government's risk management policy, particularly in its ability to recruit and retain temporary field staff. The report, tabled in the House of Commons on October 30, 2007, found that Statistics Canada followed sound quality assurance standards in managing the 2006 Census of Population. The audit also found that Statistics Canada took necessary steps to understand and meet the needs of its clients for census information and to improve the quality of the information on population groups that have been hard to count. In addition, the audit found that Statistics Canada made considerable efforts to ensure that the privacy of information supplied by respondents was protected. For example, it provided mail-back and Internet options so Canadians could respond privately without the presence of a local census employee.

The report made a small number of recommendations, specifically in the area of documentation of high-impact and high-probability risks along with the quality assurance measures in place at various stages of the census-taking process. These recommendations will be implemented for the 2011 Census.

During 2007/2008, a number of evaluation studies were conducted on the 2006 Census Internet questionnaire responses. The results show that data collected via the Internet were more complete than data collected on paper questionnaires. As a result, far less follow-up with Internet respondents was required. The challenge moving towards the 2011 Census is to increase Internet response. Building on research conducted during 2006, the plan for some areas of the country is to send an invitation letter to respondents asking them to complete the census online instead of providing them with a paper questionnaire. As for the Census of Agriculture, it is anticipated that Internet response will double in 2011 to 10% from the 5% achieved in 2006. More limited access to high-speed Internet connections in rural areas, as well as the length of the questionnaire (16 pages), are significant factors that make the Census of Agriculture's Internet response take-up rate much lower than the corresponding rate for the Census of Population.

Evaluations have also identified that one of the major challenges faced in the last census was attracting and retaining sufficient field staff in many parts of the country, and it is expected that this challenge will continue into the next census. It is critical that we develop and test effective recruitment, retention and compensation strategies that will attract and sustain a productive field staff for 2011. In the Census of Agriculture, the need for field staff will be vastly reduced in 2011, given the move to complete mail-out and centralized, telephone-based non-response follow-up.

2007/2008 Report on Plans and Priorities

There were three priorities: the release of data from the 2006 Census of Population, the release of data from the 2006 Census of Agriculture, and the conducting of the Aboriginal Peoples postcensal survey. In addition to these priorities, the Participation and Activity Limitation Survey was repeated and a new survey on the vitality of official language minorities was undertaken.

2006 Census of Population

In the *2007/2008 Report on Plans and Priorities*, the release of data from the 2006 Census of Population was identified as a priority initiative. The initiative was aimed at improving the relevance of the national statistical program through the release of these data. The census is a fundamental source of statistical information for a wide variety of users across the country.

The Census of Population has now released the following sets of results. These were all released on time, in accordance with the pre-announced schedule posted at http://www12.statcan.gc.ca/census-recensement/2006/rt-td/index-eng.cfm.

Table 2.9 Census of Population release dates, titles and website addresses

Release 1: March 13, 2007	*Population and Dwelling Counts*	http://www.statcan.gc.ca/daily-quotidien/070313/tdq070313-eng.htm
Release 2: July 17, 2007	*Age and Sex*	http://www.statcan.gc.ca/daily-quotidien/070717/dq070717a-eng.htm
Release 3: September 12, 2007	*Families and Households* *Marital Status (including Common-law Status)* *Housing and Dwelling Characteristics*	http://www.statcan.gc.ca/daily-quotidien/070912/dq070912a-eng.htm
Release 4: December 4, 2007	*Language* *Immigration and Citizenship* *Mobility and Migration*	http://www.statcan.gc.ca/daily-quotidien/071204/dq071204a-eng.htm
Release 5: January 15, 2008	*Aboriginal Peoples*	http://www.statcan.gc.ca/daily-quotidien/080115/dq080115a-eng.htm
Release 6: March 4, 2008	*Labour (including Labour Market Activity, Industry and Occupation)* *Place of Work and Commuting to Work (including Mode of Transportation)* *Education* *Language of Work*	http://www.statcan.gc.ca/daily-quotidien/080304/dq080304a-eng.htm
Release 7: April 2, 2008	*Ethnic Origin and Visible Minorities*	http://www.statcan.gc.ca/daily-quotidien/080402/dq080402a-eng.htm
Release 8: May 1, 2008	*Income and Earnings* *Shelter Costs*	http://www.statcan.gc.ca/daily-quotidien/080501/dq080501a-eng.htm

More details on the results of the 2006 Census can be found at http://www12.statcan.gc.ca/census-recensement/index-eng.cfm.

The amount of coverage generated by the census is a measure of its success. Media coverage for the 2006 Census releases was nearly double coverage of the 2001 Census releases. Increased traffic on the Statistics Canada website—nearly 3 million census-related visitors and over 25 million census page views—combined with positive feedback from data users points to an overwhelmingly positive response from Canadians. Census data are being made more accessible and are reaching unprecedented coverage levels, and this serves to heighten the relevance of this information to Canadians.

While several factors can influence census data accuracy, it is most affected by the degree to which persons are missed in the census (undercoverage) or counted more than once (overcoverage). Statistics Canada completed the preliminary certification activities of the Census Coverage Studies over the winter of 2007/2008. These consist of the Reverse Record Check, a sample survey of about 70,000 persons to measure undercoverage, and the Census Overcoverage Study, which searches for pairs of persons with identical characteristics on the census database. Preliminary undercoverage and overcoverage estimates were released in the spring of 2008. Nationally, the preliminary population net undercoverage rate for the 2006 Census was estimated at 2.8%. Once the coverage estimates are finalized, a new postcensal population estimates series will be produced and released. These estimates are of critical importance and are used in the annual allocation of billions of dollars in health and social transfers and equalization payments to provinces and territories. In fiscal year 2007/2008, approximately $67 billion was allocated based on these population estimates.

When Statistics Canada releases population and dwelling counts from the census, data users sometimes question the accuracy of the counts for a particular geographic area, such as a municipality. Statistics Canada investigates and addresses each request in a formal review of the 2006 Census counts. In cases where no significant error in the population and dwelling counts is detected, it confirms the published census counts with a written explanation. For a very small number of cases, errors are confirmed and revised population counts are provided.

2006 Census of Agriculture

The initiative was aimed at improving the relevance of the national statistical program through the release of these data.

The census is a fundamental source of statistical information for a wide variety of users across the country. The Census of Agriculture has now released the following sets of results. These were all released on time, in accordance with the pre-announced schedule posted at http://www.statcan.gc.ca/ca-ra2006/release-diffusion-eng.htm.

Table 2.10 Census of Agriculture release dates, titles and website addresses

Release 1: May 16, 2007	*Farm Operations and Operators* (Comprehensive information about agricultural operations across Canada and the people managing those farms)	http://www.statcan.gc.ca/daily-quotidien/070516/dq070516a-eng.htm
Release 2: October 26, 2007	*The Soybean, a Canadian Agricultural Success Story* (Inaugural release of the 2006 edition of the Canadian Agriculture at a Glance series of analytical articles)	http://www.statcan.gc.ca/daily-quotidien/071026/dq071026b-eng.htm
Release 3: December 11, 2007	*Selected Historical Data from the Census of Agriculture* (Most of the data cover the period from 1976 to 2006. Some variables go back to 1921.)	http://www.statcan.gc.ca/pub/95-632-x/95-632-x2007000-eng.htm
Release 4: January 25, 2008	*Canada's Bison Industry* (Part of the Canadian Agriculture at a Glance series)	http://www.statcan.gc.ca/daily-quotidien/080125/dq080125b-eng.htm
Release 5: February 5, 2008	*2006 Agriculture Community Profile* (Available online on the Statistics Canada website and present community-level information from the 2006 Census of Agriculture)	http://www.statcan.gc.ca/daily-quotidien/080205/be080205a-eng.htm
Release 6: March 28, 2008	*Organic from Niche to Mainstream* (Part of the Canadian Agriculture at a Glance series)	http://www.statcan.gc.ca/daily-quotidien/080328/dq080328a-eng.htm
Release 7: May 23, 2008	*Sugar Beets in Canada* (Part of the Canadian Agriculture at a Glance series)	http://www.statcan.gc.ca/daily-quotidien/080523/dq080523a-eng.htm

More details on the results of the 2006 Census of Agriculture can be found at http://www.statcan.gc.ca/ca-ra2006/index-eng.htm.

An enhanced release strategy enabled the public and the media to have increased access to Census of Agriculture data. There were over 619,000 downloads of 2006 Census of Agriculture products in 2007/2008. As in the past, the initial release of data one year after Census Day saw heavy media coverage. To sustain that coverage and provide a more in-depth examination of Census of Agriculture data, a series of descriptive educational products is being released approximately every two months in electronic format. This user-friendly publication has proven very attractive to the media, the general public and educators, generating positive commentary along with in-depth coverage of data in print, radio and television.

For the Census of Agriculture, coverage errors occur when farms are missed, incorrectly included or double counted. Coverage estimates were published with the initial release of 2006 Census of Agriculture data in May 2007. They indicated that nationally, the undercoverage rate for the number of farms was 3.3%. The undercoverage rate for the total farm area was 1.3% and for gross farm receipts was 0.9%, confirming that Census of Agriculture undercoverage tends to occur for smaller farms.

Aboriginal Peoples Survey

The Aboriginal Peoples Survey off-reserve component was successfully conducted in 2006/2007. The data will be released in the fall of 2008. The Aboriginal Peoples Survey provides information on the social and economic conditions of First Nations people living off-reserve, Métis and Inuit.

In the summer of 2007, the Aboriginal Children's Survey was integrated into the Aboriginal Statistics Program. The Aboriginal Children's Survey off-reserve component was successfully conducted in 2006/2007. Data will be released in the fall of 2008, providing information on the development and well-being of First Nations children living off-reserve, Métis children and Inuit children under the age of 6. Previously run outside the Aboriginal Statistics Program, this integration allows for a more co-ordinated approach to the collection and dissemination of the data from both the Aboriginal postcensal surveys.

Discussions are presently ongoing with federal departments for proceeding with an on-reserve component to the Aboriginal Peoples Survey and Aboriginal Children's Survey. Work is proceeding slowly. The plan to carry out these surveys continues to be progressive and involves working over the next several years with First Nations communities willing to participate in the survey.

Steps have also been taken toward operationalizing the First Nations Statistical Institute. Once operational, this new Crown corporation will assist First Nations in meeting their information needs and will work with Statistics Canada to better represent First Nations in the national statistical system.

Participation and Activity Limitation Survey

In 2007/2008, the Census Statistics Program conducted the Participation and Activity Limitation Survey, capturing data for 2006. This is a survey on Canadians (adults and children) whose day-to-day activities may be limited because of a condition or health problem. Survey results will help to identify difficulties and barriers these Canadians may face.

The first results were released in December 2007 at
http://www.statcan.gc.ca/daily-quotidien/071203/dq071203a-eng.htm.

A release focusing on special education for children took place in May 2008 and appears at
http://www.statcan.gc.ca/daily-quotidien/080527/dq080527a-eng.htm.

A release focusing on assistive technology took place in June 2008 and appears at
http://www.statcan.gc.ca/daily-quotidien/080603/dq080603b-eng.htm.

The Participation and Activity Limitation Survey was very well received by participants and by the media. In fact, Statistics Canada has regularly been contacted by people with disabilities wishing to participate in the next Participation and Activity Limitation Survey. The overall response rate was 75%.

Survey on the Vitality of Official-language Minorities

In 2007/2008, the Census Statistics Program conducted the Survey on the Vitality of Official-language Minorities, capturing data for 2006. This survey pertains to the vitality of anglophones in Quebec and francophones outside of Quebec. The information collected allows for a more in-depth understanding of the current situation of individuals belonging to these groups on subjects as diverse as instruction in the language of the minority or access to different services in the language of the minority (e.g., health care), as well as language practices both at home and outside of the home.

The first results were released in December 2007 at
http://www.statcan.gc.ca/daily-quotidien/071211/dq071211a-eng.htm.

This survey was well received by the public and the results generated considerable media coverage. The overall response rate was 73%.

Lessons learned

Statistics Canada requires, and has instituted, a vigilant, ongoing quality assurance system to maintain and enhance the quality of its data.

Statistics Canada has always known that Canadians' trust in its data depends critically on the quality of those data. The quality assurance system put in place in 2006 has made significant investments in a number of areas and has been conducive to minimizing the frequency of errors that can, and do, creep in when thousands of staff deal with millions of pieces of data.

Effective dissemination of statistics to Canadians and policy makers allow the data to influence decision making at a national level.

Statistics Canada disseminates data using a variety of means that include *The Daily*, the Internet and publications. Statistics Canada has learned that dissemination of data cannot be static but rather dynamic and evolutionary as economy and society change and evolve. Statistics Canada products must evolve and change to provide Canadians the most accurate picture of the country's economy, society and population.

Statistics Canada must be constantly alert to the data needs of the country so that data can keep pace with economic and social developments.

Examples of this are globalization and the increasing importance of the service sector. Statistics Canada is focused on improving the relevance of data in these areas.

Statistics Canada's organizational structure, a major factor in securing its international reputation as a statistical agency to be emulated, must be guarded.

Statistics Canada has learned over many years that all staff need to work together as a group to produce the best possible data. This collegiality is reflected in its organizational structure where all key decisions are made collegially and collectively, a feature that has served Statistics Canada well and needs to be guarded.

People are the reason Statistics Canada has a reputation for excellence. The systems in place to recruit, develop, provide learning opportunities for and look after the wellness of staff are critical and need strengthening in view of the demographic challenges the public service faces.

Statistics Canada's human resources systems are models for other public sector organizations. There is a clear link between these systems and the quality of its products, which are recognized internationally. The demographic pressures faced by the public service have taught Statistics Canada the value of continuing with and strengthening these systems.

The Internet is becoming increasingly important as a response mode and Statistics Canada has learned that it must tailor its program to accommodate evolving technologies.

As the Environics Research Group's survey clearly shows (see Section 1), more and more Canadians want to respond to Statistics Canada surveys through the Internet. Statistics Canada must evolve over time to accommodate that. In this context, it is putting in place systems that would ensure that the 2011 Census would more than meet Canadians' needs.

Section 3 Financial performance

Table 3.1 Comparison of planned to actual spending (including full-time equivalents)

	2005/2006 actual	2006/2007 actual	2007/2008			
			Main estimates	Planned spending[1]	Total authorities[2]	Actual[3]
	$ thousands					
Economic Statistics	190,679	194,871	202,123	202,238	240,154	224,467
Social Statistics	156,149	136,807	156,387	156,441	169,751	158,417
Census Statistics	211,590	287,842	95,603	95,653	99,034	91,147
Total[4]	**558,418**	**619,520**	**454,113**	**454,332**	**508,940**	**474,031**
Less: Non-respendable revenue[5]	(800)	(2,961)	...	(800)	...	(800)
Plus: Cost of services received without charge[6]	62,698	66,611	...	57,101	...	60,308
Total departmental spending	**620,316**	**683,171**	**...**	**510,633**	**...**	**533,539**
	number					
Full-time equivalents	**5,737**	**6,330**	**...**	**5,177**	**...**	**5,676**

... not applicable

1. Planned spending corresponds to the reference levels submitted when the *2007/2008 Report on Plans and Priorities* was completed and does not include changes in funding that took place during the year.
2. Total authorities shows the revised reference level and reflects the changes since the *Report on Plans and Priorities* was submitted and corresponds to the 2007/2008 Public Accounts.
3. Actual spending corresponds to the 2007/2008 Public Accounts.
4. Amounts are presented net of respendable revenue.
5. Non-respendable revenue consists of all non-tax revenue that will be credited to the Consolidated Revenue Fund.
6. Services received without charge include accommodation provided by Public Works and Government Services Canada, contributions covering employer's share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds), worker's compensation coverage provided by Human Resources and Social Development Canada, and services received from the Department of Justice Canada.

Notes: Because of rounding, figures may not add to totals shown.
Numbers in parentheses are negative.
All Statistics Canada program activities are linked to the Government Affairs, Government of Canada Outcome Area.

Table 3.2 Voted and statutory items

Vote number or statutory item	Truncated vote or statutory wording	2007/2008			
		Main estimates	Planned spending	Total authorities	Actual
		$ thousands			
95	Operating expenditures[1]	388,165	388,384	439,335	404,427
95	Grants and contributions	561	561	561	561
Statutory	Contributions to employee benefit plans	65,387	65,387	69,043	69,043
Total		**454,113**	**454,332**	**508,940**	**474,031**

1. Operating expenditures are presented net of respendable revenue.

Note: Because of rounding, figures may not add to totals shown.

Tables 3.3 and 3.4: Sources of Respendable and Non-Respendable Revenue

For information on the Agency's sources of respendable and non-respendable revenue please visit: http://publiservice.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Tables 3.5 and 3.6: User Fees/External Fees

For information on the Agency's User Fees, please visit: http://publiservice.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

For supplementary information on the Agency's Service Standards for External Fees, please visit: http://publiservice.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Table 3.7: Travel Policies

For information on the Agency's travel policies, please visit: http://publiservice.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Section 4 Audits and evaluations

Audits

Two internal audits and one audit by the Office of the Auditor General were completed this past year. As 2006 was a census year, one of the internal audits and the one by the Office of the Auditor General covered different aspects of the Census of Population.

The Office of the Auditor General report, tabled on October 30, 2007, found that Statistics Canada satisfactorily managed the 2006 Census of Population in accordance with its quality assurance systems and practices but did not prepare an integrated and comprehensive document describing the overall approach. Statistics Canada had taken a proactive approach to identifying risks to the 2006 Census; however, it did not fully comply with the requirements of the government's policy on risk management. In particular, despite the numbers of temporary field staff it needed and the challenges it faced in hiring and retaining them, it did not develop formal and detailed contingency plans to respond in the event that it could not meet those challenges. Statistics Canada managed risks related to the privacy of respondent information with significant and successful efforts to ensure that the privacy of census data was protected. It will continue to improve its processes and practices and address the areas that were identified for the 2011 Census.

The first internal audit, entitled *Audit of 2006 Census Related to Selected Security, Administrative and Quality Practices*, found that pay was processed in an accurate way, mainly in accordance with established legislation, policies and procedures. However, payments to employees were not always timely as streamlining and adjustment of some controls were necessary to show evidence of due diligence. Personnel screening for new census *Statistics Act* employees met most of the requirements of the Government Security Policy (2002) and Personnel Security Standard (1994). Reliability checks were done before employees began work, although improvements to some tools and procedures are required for 2011 Census field operations. Employees swore the oath of office under the *Statistics Act* and had a reliability status before accessing a computing device connected to any Statistics Canada network. Overall, management controls were in place related to monitoring of Census Help Line telephone operators either responding to the Canadian public or contacting them for information as part of failed edit follow-up, although their effectiveness should be improved. Work has already begun on improving these areas for the next census.

The second internal audit was the second part of the *Audit of Central Regional Office (Toronto) Administrative Processes*. In this part, it was found that the regional office was mainly compliant with staffing under the *Public Service Employment Act*. Regarding staffing for Statistical Survey Operations, it was found that the staffing files had been centralized. There was evidence of competitive processes and that merit was applied. However, a list of key documents to be found in the staffing files was not available. A working committee has been tasked with developing and identifying the key staffing documents that will be required when conducting each Statistical Survey Operations staffing process.

The terms of reference of an internal audit entitled *Asset Protection and Life Cycle Management* were approved by the Internal Audit Committee in the fall of 2007. The audit is being performed by outside contractors and the report is expected to be presented to the committee in the fall of 2008. The terms of reference of the *Audit of Confidentiality of Sensitive Statistical Information* were approved in the spring of 2007. The conduct phase is well underway and the report is planned for the winter of 2008.

Statistics Canada developed a multiyear risk-based audit plan responding to the requirements of the Policy on Internal Audit, which was approved by the Internal Audit Committee in March 2008. It is working on a transition plan to fully implement the 2006 Policy on Internal Audit as outlined by the Office of the Comptroller General, including the selection of a Chief Audit Executive. It is expected that the new Chief Audit Executive will start work in the second quarter of 2008/2009. Statistics Canada expects to establish a new Audit Committee, which will conform with the 2006 Policy on Internal Audit, by the end of 2008/2009.

Table 4.1: Internal Audits

For supplementary information on the Agency's Internal Audits, please visit: http://publiservice.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Evaluations

As described in Section 1, Statistics Canada has a unique system of ongoing evaluation of all its statistical and corporate services programs. Each group at Statistics Canada prepares a thorough quadrennial program review that identifies accomplishments, challenges and future priorities along with users' satisfaction of services provided. A biennial program report updates the quadrennial program reviews at mid-cycle.

Table 4.2: Evaluations

For the timetable of the Agency's Evaluations, please visit: http://publiservice.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp

STATISTICS CANADA

FINANCIAL STATEMENTS
March 31, 2008

STATISTICS CANADA
Statement of Management Responsibility
March 31, 2008

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2008 and all information contained in these statements rests with Statistics Canada's (StatCan) management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of StatCan's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in StatCan's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout StatCan.

The financial statements of Statistics Canada have not been audited.

Munir A. Sheikh, Chief Statistician
Ottawa, Canada
Date:

Colleen Falconer, Senior Financial Officer
Ottawa, Canada
Date:

STATISTICS CANADA

Statement of Operations *(Unaudited)*

For the Year Ended March 31

(in thousands of dollars)

	2008	2007
Expenses (Note 4)		
Economic Statistics	254,742	237,904
Social Statistics	235,916	212,968
Census Statistics	126,779	344,427
Total expenses	**617,437**	**795,299**
Revenues (Note 5)		
Economic Statistics	20,500	21,692
Social Statistics	60,363	58,182
Census Statistics	26,929	37,802
Total revenues	**107,792**	**117,676**
Net cost of operations	**509,645**	**677,623**

The accompanying notes form an integral part of these financial statements.

STATISTICS CANADA

Statement of Financial Position *(Unaudited)*

At March 31

(in thousands of dollars)

	2008	2007
ASSETS		
Financial assets		
Accounts receivable and advances (Note 6)	9,100	32,158
Total financial assets	9,100	32,158
Non-financial assets		
Prepaid expenses	416	385
Inventory	3,076	3,595
Tangible capital assets (Note 7)	106,998	89,822
Total non-financial assets	110,490	93,802
TOTAL	**119,590**	**125,960**
Liabilities		
Accounts payable and accrued liabilities (Note 8)	46,312	49,033
Deferred revenue (Note 9)	6,368	14,450
Vacation pay and compensatory leave	24,944	26,042
Lease obligation for tangible capital asset (Note 10)	642	881
Employee severance benefits (Note 11)	78,858	79,332
	157,124	169,738
Equity of Canada	(37,534)	(43,778)
TOTAL	**119,590**	**125,960**

Contingent liabilities (Note 12)
Contractual obligations (Note 13)

The accompanying notes form an integral part of these financial statements.

STATISTICS CANADA

Statement of Equity of Canada *(Unaudited)*

For the Year Ended March 31

(in thousands of dollars)

	2008	2007
Equity of Canada, beginning of year	**(43,778)**	**(99,108)**
Net cost of operations	(509,645)	(677,623)
Current year appropriations used (Note 3)	474,031	619,520
Revenue not available for spending	(4,637)	(3,894)
Change in net position in the Consolidated Revenue Fund (Note 3)	(13,813)	50,716
Services received without charge from other government departments (Note 14)	60,308	66,611
Equity of Canada, end of year	**(37,534)**	**(43,778)**

The accompanying notes form an integral part of these financial statements.

STATISTICS CANADA

Statement of Cash Flow *(Unaudited)*

For the Year Ended March 31

(in thousands of dollars)

	2008	2007
Operating activities		
Net cost of operations	509,645	677,623
Non-cash items:		
Amortization of tangible capital assets	(19,500)	(21,389)
Loss on disposal of tangible capital assets	(593)	(464)
Services provided without charge	(60,308)	(66,611)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	(23,058)	27,231
Increase (decrease) in prepaid expenses	31	(135)
Decrease in inventory	(519)	(179)
Decrease in liabilities	12,611	15,442
Cash used by operating activities	418,309	631,518
Capital investment activities		
Acquisitions of tangible capital assets (Note 7)	37,272	34,823
Financing activities		
Net cash provided by Government of Canada	(455,581)	(666,342)

The accompanying notes form an integral part of these financial statements.

STATISTICS CANADA
Notes to the Financial Statements *(Unaudited)*

1. Authority and Objectives

Statistics Canada was established in 1918 pursuant to the *Statistics Act*. StatCan received full departmental status by Order in Council in 1965.

Statistics Canada is a division of the public service named in Schedule I.1 of the *Financial Administration Act*. The Minister currently responsible for Statistics Canada is the Minister of Industry, who represents StatCan in Parliament and Cabinet.

Statistics Canada's mandate derives primarily from the *Statistics Act*. The Act requires StatCan, under the direction of the Minister, to collect, compile, analyze and publish statistical information on the economic, social and general conditions of the country and its citizens. Statistics Canada's mandate also provides for coordination and leadership of the country's statistical system.

From StatCan's mandate are derived two primary objectives:

- To provide statistical information and analysis of the economic and social structure and functioning of Canadian society as a basis for the development, operation and evaluation of public policies and programs, for public and private decision-making and for the general benefit of all Canadians; and

- To promote the quality, coherence and international comparability of Canada's statistics through collaboration with other federal departments and agencies, with the provinces and territories and in accordance with sound scientific standards and practices.

To facilitate the understanding of Statistics Canada's program activity architecture (PAA), its activities have been grouped into three program activities: Economic Statistics, Social Statistics and Census Statistics. The Economic Statistics provides information and analysis on the entire spectrum of Canadian economic activity, both domestic and international, through a set of macro-economic statistics and focuses on the business and trade sectors of the Canadian economy. The Social Statistics provides information on the economic and social characteristics of individuals, families and households in Canada, and on the major factors which can contribute to their well being. The Census Statistics provides benchmark information on the structure of the Canadian population and its demographic, social and economic conditions.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) *Parliamentary appropriations* – Statistics Canada is financed by the Government of Canada through Parliamentary appropriations. In addition to its yearly parliamentary appropriations, Statistics Canada has the authority to expend revenue received during the fiscal year. Appropriations provided to StatCan do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those

2. Summary of Significant Accounting Policies (continued)

provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the two bases of reporting.

(b) *Net Cash Provided by Government* – Statistics Canada operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by StatCan is deposited to the CRF and all cash disbursements made by StatCan are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) The change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by StatCan. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) *Revenues*:

- Funds received from external parties for specified purposes are recorded upon receipt as deferred revenues. These amounts are transferred to revenue once services have been provided.
- Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.
- Revenues that have been received but not yet earned are recorded as deferred revenues.

(e) *Expenses* – Expenses are recorded on the accrual basis:

- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.
- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

2. Summary of Significant Accounting Policies (continued)

(f) *Employee future benefits*

i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. Statistics Canada's contributions to the Plan are charged to expenses in the year incurred and represent the total obligation to the Plan. Current legislation does not require StatCan to make contributions for any actuarial deficiencies of the Plan.

ii. Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) *Contingent liabilities* – Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(i) *Inventories* – Inventories are recorded as an asset until issued for consumption or sale, at which time they are expensed. Statistics Canada records two types of inventories:

- Inventories held for re-sale – These are publications and special statistical services which will be sold in the future in the ordinary course of business to parties outside of the government reporting entity. They are valued at their average production cost.

- Consumable inventories – These are inventories held for future program delivery and not intended for re-sale. They are valued at cost. If they no longer have service potential, they are valued at the lower of cost or net realizable value.

(j) *Foreign currency transactions* – Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the rate of exchange in effect on March 31, 2008.

2. Summary of Significant Accounting Policies (continued)

(k) *Tangible capital assets* – All tangible capital assets and leasehold improvements having an initial cost of $10,000 or more are recorded at their acquisition cost. Statistics Canada does not capitalize intangibles, works of art and historical treasures that have a cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization period
Informatics hardware	5 years
Informatics software	5 years
Other equipment	5 years
Motor vehicles	7 years
Leasehold improvements	25 years
Software under development	Once in service, 5 years
Leased tangible capital assets	Term of lease

(l) *Measurement uncertainty* – The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

STATISTICS CANADA
Notes to the Financial Statements *(Unaudited)*

3. Parliamentary Appropriations

Statistics Canada receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, Statistics Canada has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used:

	2008	2007
	(in thousands of dollars)	
Net cost of operations	509,645	677,623
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (Less):		
Services provided without charge	(60,308)	(66,611)
Amortization of tangible capital assets	(19,500)	(21,389)
Refunds of previous years expenditures	1,563	2,978
Bad debt expense	(6)	-
Legal fees	-	(129)
Revenue not available for spending	4,637	3,894
Reversal of previous year prepaid expenses	(385)	(520)
Inventory usage	(444)	(40)
Loss on disposal of tangible capital assets and write-down of inventory	(669)	(603)
Vacation pay and compensatory leave	1,098	(4,326)
Employee severance benefits	474	(6,748)
Capital lease payments	238	184
	436,343	584,313
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add:		
Acquisitions of tangible capital assets	37,272	34,822
Prepaid expenses	416	385
Current year appropriations used	**474,031**	**619,520**

3. Parliamentary Appropriations (Continued)

(b) Appropriations provided and used

	2008	2007
	(in thousands of dollars)	
Vote 95 - Operating expenditures	439,845	569,903
Statutory amounts	69,043	73,351
Spending of proceeds from the disposal of tangible capital assets	52	45
	508,940	643,299
Less lapsed appropriations:		
Operating	(34,909)	(23,748)
Proceeds from the disposal of tangible capital assets	-	(31)
Current year appropriations used	**474,031**	**619,520**

(c) Reconciliation of net cash provided by Government to current year appropriations used

	2008	2007
	(in thousands of dollars)	
Net cash provided by Government	455,581	666,342
Revenue not available for spending	4,637	3,894
	460,218	670,236
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivable and advances	23,057	(27,231)
Variation in accounts payable and accrued liabilities	(2,721)	(25,312)
Variation in deferred revenue	(8,082)	(1,022)
Refunds of previous years expenditures	1,565	2,978
Other adjustments	(6)	(129)
	13,813	(50,716)
Current year appropriations used	**474,031**	**619,520**

STATISTICS CANADA
Notes to the Financial Statements *(Unaudited)*

4. Expenses

The following table presents details of expenses by category:

	2008	2007
	(in thousands of dollars)	
Transfer payment - Canadian Institute of Health Information (CIHI)	561	561
Total transfer payment	561	561
Salaries and employee benefits	452,276	496,767
Services provided without charge	60,308	66,611
Transportation and postage	25,363	34,942
Professional services	23,078	126,268
Repairs and maintenance	20,239	16,192
Amortization	19,500	21,389
Materials and supplies	9,325	12,905
Rentals	4,175	6,231
Communication and printing	1,778	12,745
Loss on disposal of tangible capital assets	593	464
Other	129	46
Loss on write-down of inventory	75	139
Interest component on leased tangible capital assets	31	39
Bad debts	6	-
Total operating expenses	616,876	794,738
Total Expenses	**617,437**	**795,299**

STATISTICS CANADA
Notes to the Financial Statements *(Unaudited)*

5. Revenues

The following table presents details of revenues by category:

	2008	2007
	(in thousands of dollars)	
Special statistical services	106,179	115,846
Publications	1,599	1,811
Interest on overdue accounts	14	19
Total Revenues	**107,792**	**117,676**

6. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:

	2008	2007
	(in thousands of dollars)	
Receivables from other Federal Government departments and agencies	2,334	29,148
Receivables from external parties	6,634	2,718
Employees advances	147	301
	9,115	32,167
Less: allowance for doubtful accounts on external receivables	(15)	(9)
Total	**9,100**	**32,158**

STATISTICS CANADA
Notes to the Financial Statements *(Unaudited)*

7. Tangible Capital Assets

(in thousands of dollars)

	Cost				Accumulated amortization					
Capital asset class	Opening balance	Acqui-sitions	Dispo-sals	Closing balance	Opening balance	Amorti-zation	Dispo-sals	Closing balance	2008 Net book value	2007 Net book value
Informatics hardware	60,898	8,106	6,657	62,347	39,285	8,229	6,626	40,888	21,459	21,613
Informatics software	58,296	19,610	1,204	76,702	32,264	9,798	642	41,420	35,282	26,032
Other equipment	6,002	283	74	6,211	4,020	547	72	4,495	1,716	1,982
Motor vehicles	1,078	-	-	1,078	162	209	-	371	707	917
Leasehold improvements	7,824	2,871	-	10,695	712	352	-	1,064	9,631	7,112
Software under development	31,310	6,276	-	37,586	-	-	-	-	37,586	31,310
Leased tangible capital assets	1,568	126	247	1,447	712	365	247	830	617	856
Total	**166,976**	**37,272**	**8,182**	**196,066**	**77,155**	**19,500**	**7,587**	**89,068**	**106,998**	**89,822**

Amortization expense for the year ended March 31, 2008 is $19,500,000 (2007 - $21,389,000)

8. Accounts Payable and Accrued Liabilities

The following table presents details of payables and accrued liabilities:

	2008	2007
	(in thousands of dollars)	
Accounts payable external parties	21,692	29,827
Accounts payable other Federal Government departments and agencies	7,219	6,604
Accrued Salaries and Wages	17,378	12,590
Goods and services tax payable to Canada Revenue Agency	23	12
Total Payables and accrued liabilities	**46,312**	**49,033**

9. Deferred Revenue

Statistics Canada has the authority to expend revenue received during the fiscal year. Deferred revenue represents the balance of unearned revenue stemming from contracts in place for the provision of statistical information. Amounts are transferred to revenue once services have been delivered. Details of the transactions related to this account are as follows:

	2008	2007
	(in thousands of dollars)	
Opening balance	14,450	15,472
Receipts	103,155	113,782
Revenues earned	(111,237)	(114,804)
Closing balance	**6,368**	**14,450**

10. Lease Obligation for Tangible Capital Assets

Statistics Canada has entered into agreements to rent all photocopiers under capital lease with a cost of $1,447,651 and accumulated amortization of $830,023 as at March 31, 2008 ($1,568,101 and $711,571 respectively as at March 31, 2007). The obligations for the upcoming years include the following:

Maturing year	**2008**	**2007**
	(in thousands of dollars)	
2008	-	377
2009	320	286
2010	205	172
2011	111	88
2012	31	12
2013 and thereafter	10	-
Total future minimum lease payments	677	935
Less: imputed interest (3.08% to 4.77%)	(35)	(54)
Balance of obligations under leased tangible capital assets	**642**	**881**

11. Employee Benefits

a) *Pension benefits*: Statistics Canada's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. The 2007-08 expense amounts to $50,332,603 ($54,059,527 in 2006-07), which represents approximately 2.1 times (2.2 in 2006-07) the contributions by employees.

Statistics Canada's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b) *Severance benefits*: Statistics Canada provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2008	2007
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	79,332	72,582
Expense for the year	7,270	12,887
Benefits paid during the year	(7,744)	(6,137)
Accrued benefit obligation, end of year	**78,858**	**79,332**

In order to measure the March 31, 2008 liability, Statistics Canada used the ratio, determined by Treasury Board, of 23.27% to StatCan's annual gross payroll at year-end subject to severance pay, which is the payroll related to indeterminate employees. The comparative ratios used to determine the March 31, 2007 and March 31, 2006 liabilities are 23.64% and 23.20% respectively.

12. Contingent Liabilities

Claims and litigation

Claims have been made against Statistics Canada in the normal course of operations. Legal proceedings for claims, which cannot be estimated (no estimation provided in 2007) were still pending at March 31, 2008. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.

13. Contractual Obligations

The nature of Statistics Canada's activities can result in some large multi-year contracts and obligations whereby it will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)	2009	2010	2011	2012	2013 and thereafter	Total
Transfer payments	561	561	-	-	-	1,122
Multi-year contracts	22,328	6,762	826	292	17	30,225
Total	**22,889**	**7,323**	**826**	**292**	**17**	**31,347**

14. Related Party Transactions

Statistics Canada is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. StatCan enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, StatCan received services which were obtained without charge from other Government departments as presented below:

Services provided without charge:

During the year Statistics Canada received without charge from other departments, accommodation, the employer's contribution to the health and dental insurance plans, worker's compensation and legal services. These services without charge have been recognized in StatCan's Statement of Operations as follows:

	2008	2007
	(in thousands of dollars)	
Accommodation	31,341	31,318
Employer's contribution to the health and dental insurance plans	28,710	35,093
Worker's compensation	171	173
Legal services	86	27
Total	**60,308**	**66,611**

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in StatCan's Statement of Operations.